**Opening of Taxation Appeal Office at Aurangabad**

2035. DR. BAPU KALDATE; Will the Minister of FINANCE be pleased state:

(a) whether it is a fact that the Tax Practitioners Association Aurangabad and the Institute of Chartered Accountants of India, Aurgangabad branch have been requesting for opening of a city (Appeal) office at Aurangabad to accelerate the process of disposing the taxation cases and in larger interest of the assessees;

(b) if so, since when the question of opening a city (Appeal) Office at Aurangabad (Maharashtra) *is* pending with the Ministry; and

(c) what are the reasons for delay in taking a decision on the issue and what is the present position?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI CHANDRASHEKHAR MURTHY): (a) to (c) Representation from the Institute of Chrarttered Accounts of India. Western India Regional Council Aurgangabad Branch was received in January, 1993 for establishing office of Commissioner of Income, tax (Appeals) at Aurgangabad. The representation was replded on 26.4. 1993 stating that the present arrangement of jurisdiction of Aurangabad appeals resting with the commissioner of Income-tax (Appeals) Kolhanur should continue.

It is not presently proposed to establish an office of Commissioner of Income-tax (Appeals) at (Aurangabad. However, the concerned Commissioner of Income-tax (Appeals) has been advised to invariably camp at Aurangabad for disposing the appeals of Tax payers.

**Long leave by chairmen *of* rural banks**

2636. SHRI ASHIS SEN; Will the Minister of FINANCE be pleased to state:

00 whether the Chairman of SuL tanpur Grameen Bank, Tulshi Gram. been Bank, Uttarbanga Kshetriya Grameen Bank, Bhilwara-Ajmer Kshetriya Grameen Bank, Pratapgarh Grameen Bank were on long leave during 1993;

(b) if so, for how many days Chairman of the above Banks were available at Head Office of the Banks; and

(o) what action has been taken by Government for such long absence o!f the Chairmen in different banks with or without leave?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (DR. ABRAR AHMED): (a) to (c) As per available information, the Chairmen of 5 Regional Rural Banks (RRBs) were on long leave during 1993 on ill health/sickness grounds. The names of RRBs and period for which their Chairmen were available during the year 1993 is given below:

| Name of Regional Rural Bank | Period forwhich Chairman were available during 1993 |
|---|---|
| 1. Sultanpur Kshetriya Gramin Bank | More than 5 months |
| 2. Pratapgarh Kshetriyg Gramin Bank | About 7 months |
| 3. Bhilwara-Ajmer/Kshetriya Gramin Bank; | Nil |
| 4. Tulsi Gramin Bank | About 9 months |
| 5. Uttarbanga Kshetriya Gramin Bank | About 11 months |

(£Chairman of Bhilwara-Ajmer Kshetriya Gramin Bank was on leave since 10-9-92, till 12-8-8-93, when he took voluntary retirement)

During absencn of Chairmen, General Managers were looking after th work of the above banks.

As the above Chairmen were constrained to take leave on health ground no action against any of them was taken.

**Dishonouring the directives of RBI by the Banks**

2637. SHRI ASHIS SEN: Will the Minister of FINANCE be pleased to state:

(a) whether Reserve Bank of India advised the sponsoring banks to pay 7.5 per cent interest on the current deposits and 13.5 per cent interest on the short-term deposits placed by Regional Rural Banks: with them;

(b) if so, how Bank of India has advised to pay no interest on Current deposits and 7.5 per cent interest on short-term deposits made by Regional Rural Bank sponsored by them, at the branches of Bank of India: and

(c) what action has been taken by Government against Bank of India and such other sponsoring banks for dishonouring the directives of RBI and what will be the loss of RRBs for such reduction of interest?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (DR. ABRAR AHMED): (a) Yes, Sir Reserve Bank of India (RBI) vide its letter dated 1.4.1993 advised all scheduled commercial banks to pay interest at 7.5 per cent per annum of the current account balances held with them by Regional Rural Bank (RRBs) with effect from 1.4.1993 irrespective of whether they have sponsored any RRB or not. Further, in terms of RBI's circular dated 4.3.1993 all sponsor banks have been instructed to pay interest at 13.5 per cent per annum (minimum) to the RRBs sponsored by them on the SLR portion of term deposits kept with them by RRBs,

(b) and (c) It has been reported by the Bank of India that it was not paying initially interest at the rate as envisaged by the *RBI* However, the bank has reported that on 10.2. 1994 instructions were issued to their concerned offices to comply with the directives of the RBI, and pay balance amount of interest if any for the intervening period for which interest has not been paid.

2638. *(Transferred to* 21sf April, 1994).

**Writing off of debts of Punjab Government**

2639. SHRI IQBAL SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Punjab Government owes a large amount of debts to the Union of India bncause of the expenses on security and anti-terrorism operations in the State;

(b) if so, the details thereof and the reasons therefor; and.... ..••..

(c) what concretie steps Government propose with regard to writing oft he debts of the Punjab Government?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) and (b) Government of Punjab has been receiving large amounts of special plan loans from the Ministry of Finance to finance their Annual Plans in the last for years. Due to this, large amount of debt, has accumulated against the State Government. The outstanding loans owed by the State Govnerment to the Ministry of Finance as on 31-12.1993 stands at Rs. 8145.10 crores.

(c) One of the terms of reference made to the Tenth Finance Commission mentions that the Commission may make an assessment of the debt position of the States as on 31st